

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 18TH JULY, 2016

PRESENT: Councillor K Groves in the Chair

Councillors S Bentley, D Cohen,
M Harland, H Hayden, J McKenna,
D Nagle, A Sobel, E Tunnicliffe and
T Wilford

10 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interest.

11 Late Items

The following supplementary information was submitted to the Board:

- Agenda item 7 – Strategic Commissioning – financial analysis

The above information was not available at the time of agenda despatch, but was subsequently made available on the Council's website.

12 Apologies for Absence and Notification of Substitutes

Apologies for absence were received from Councillor Stuart McKenna and Councillor Rod Wood. Notification had been received that Councillor Mary Harland was to substitute for Councillor Stuart McKenna.

13 Minutes - 20 June 2016

RESOLVED – That the minutes of the meeting held on 20 June 2016 be approved as a correct record.

14 Strategic Commissioning

The Scrutiny Board received a report from the Head of Scrutiny setting out a summary of the Scrutiny Board's consideration of strategic commissioning to date and to help inform a discussion with the Executive Member (Strategy and Resources), the Chief Executive and other senior officers across the Council.

The Chair welcomed members representing other Scrutiny Board's, as follows:

- Councillor Paul Truswell – City Development / Adult Social Services, Public Health, NHS
- Councillor Pauleen Grahame – Housing & Regeneration
- Councillor Mary Harland – Citizen's & Communities

It was also noted that Councillor Sue Bentley, a member of the Scrutiny Board (Strategy and Resources) also chaired the Scrutiny Board (Children's Services).

The following were in attendance for the discussion and to address questions from the Scrutiny Board.

- Councillor James Lewis – Executive Member for Strategy and Resources
- Tom Riordan – Chief Executive
- Alan Gay – Deputy Chief Executive
- Cath Roff – Director of Adult Social Services
- Sue Rumbold – Chief Officer (Partnership Development and Business Support), Children's Services
- Mick Ward – Interim Chief Officer (Commissioning), Adult Social Services
- Chris Dickinson – Head of Commissioning, Children's Services
- Angela Lawson – Head of Programme, Projects Programmes & Procurement Unit

The Chair gave a brief recap on the work of the Scrutiny Board to date and invited the Chief Executive and Executive Member to address the meeting.

The Chief Executive and Executive Member addressed the meeting and thanked the Scrutiny Board for the opportunity to discuss the Council's approach to commissioning. The Chief Executive and Executive Member made a number of comments, including the following:

- Welcomed the scrutiny inquiry.
- Strategic commissioning aimed to help the City achieve its objectives and make the best use of public resources and the 'Leeds £'.
- Work had commenced to transform commissioning, with over £50M saved in the past 4 years.
- A structural model (i.e. a single commissioning hub), while seemingly having the benefit of a single responsible officer, such an approach also carried significant risks, including:
 - A potential decrease in control and democratic accountability, should other partners (i.e. NHS) assume overall responsibility for commissioning.
 - A potential loss, or dilution, of specialist commissioning knowledge and skills – particularly around safeguarding for children and adults.
- Revisions to the proposed 'peoples commissioning' approach to reflect previous concerns raised by the Scrutiny Board, included:
 - Greater Member involvement – including the Executive Board member (Strategy and Resources) chairing the Corporate Strategic Commissioning Group.
 - The inclusion of Housing and Jobs and Skills within the scope and remit of 'peoples commissioning'.

- The significance of financial cuts – with the Council saving over £90M in the previous three years, with the requirement of a further £60M over the next 12-months.
- A commitment for greater involvement of ward members and use of local intelligence within commissioning processes.

The Scrutiny Board discussed the matters highlighted during the meeting; making a number of comments, observations and highlighting other areas for discussion, including:

- Acknowledgement of the concerns previously highlighted by the Scrutiny Board and how these were being addressed.
- The potential role of Community Committees within the commissioning cycle.
- The category management approach within the Programme, Projects Programmes & Procurement Unit (PPPU).
- Outcome measures and communication.
- The availability and use of 'efficiency benchmarks' as a method of demonstrating progress and performance.
- Evidence of decommissioning and associated decision-making processes.
- Maintaining 'service quality' particularly during increased levels of independent sector provision.
- Quality of employment practices within parts of the independent sector.
- Governance and accountability – in terms of commissioning and service provision.
- Balancing the need for specialist and generalist commissioning expertise.
- Current internal staffing costs associated with commissioning.
- Total 'place based' commissioning.
- The Adult Social Care 'Use of Resources' peer review expected in September 2016.
- The reliance on Neighbourhood Networks to deliver statutory services.
- Pooled budgets and integrated commissioning.

From the discussion, the Scrutiny Board went on to identify the following as potential areas for improvement:

- Assurance on the robustness of the commissioning approach.
- Consistent triangulation of quality across the Council.
- Communication to help articulate the vision and approach for commissioning.
- Defining/ confirming the future role of the Third Sector in Leeds.
- Monitoring and reporting outcomes, including the use of cost benefit analysis.
- Identifying and discussing decommissioning of services.
- Involvement of members within the commissioning cycle.

As part of the Board's ongoing consideration of commissioning, the Scrutiny Board agreed to review the comments made during the discussion alongside additional information highlighted at the meeting.

On conclusion of the discussion, the Chair thanked all those in attendance for their contributions.

RESOLVED –

- (a) That the report and details presented at the meeting be noted.
- (b) That the additional information identified at the meeting be provided to members of the Scrutiny Board.
- (c) That further consideration of commissioning be incorporated into the overall work schedule for the Scrutiny Board.

(NB During the discussion, the Scrutiny Board observed a minute's silence in memory of the victims and families affected by recent events in Nice, France.)

15 Financial Health Monitoring

The Scrutiny Board considered the '*Financial Health Monitoring 2016/17: Month 2 (May 2016)*' report presented to Executive Board at its meeting on 22 June 2016.

The following were in attendance for consideration of this item:

- Councillor James Lewis – Executive Member for Strategy and Resources
- Alan Gay – Deputy Chief Executive
- Doug Meeson – Chief Officer – Financial Services

The Chief Officer gave an outline of the report, which presented a projected an end-of-year overspend of £3M, and stated the aim was to bring the overall budget back into balance.

The Deputy Chief Executive outlined there were a number of risks associated with delivering a balanced budget during the course of the year, in what continued to be a challenging financial environment. However, the projected overspend should be considered in the context of a net annual budget for the Council of £500M.

The Scrutiny Board discussed the information presented and a number of other matters, including:

- Work currently being undertaken around a proposed '4-year budget settlement'.
- The extent to which the Council had 'leaner, flatter structures' compared to 2012.
- The projected overspend in Children's Services; the robustness of budget plans and the extent of 'challenge' within budget monitoring and reporting. (It was highlighted that the significant issue facing Children's

Services was around 'Look After Children'. The Directorate was making savings; the challenge was the pace at which savings were being generated.

- The impact of the 'Staying Put' initiative; the costs of the scheme and the level of national funding available.
- The impact of the previous 'Fees and Charges' work undertaken by the Scrutiny Board.
- The impact and risks associated with Business Rates.

On conclusion of the discussion, the Chair thanked the Executive Board Member and the officers for their attendance and contribution to the discussion.

RESOLVED –

- (a) That the report and information presented be noted.
- (b) That the Scrutiny Board maintains an overview of the financial health of the Council throughout the remainder of the year.

(NB Councillor David Nagle left the meeting at 11:25am, during consideration of this item)

16 Scrutiny Inquiry into ICT Resources - Response to Scrutiny Statement

The Scrutiny Board considered a report from the Head of Service Delivery (ICT Services), setting out the initial response to the Scrutiny Board statement and recommendations (agreed in April 2016) in relation to ICT Resources.

The following were in attendance for consideration of this item:

- Dylan Roberts – Chief Digital Officer
- Bev Fisher – Head of Service Delivery (ICT Services)

The Scrutiny Board was pleased to see its recommendations had been accepted and noted the proposed response.

Issues highlighted by the Scrutiny Board included the 'perceived speed of action' and opportunities for shared learning, particularly in relation to business continuity planning.

It was noted that the reference to the specific 'peer review' would now be incorporated into the overall, wider Council scheduled to commence in the very near future.

On conclusion of the discussion, the Chair thanked the officers for their attendance and contribution to the discussion.

RESOLVED –

- (a) That the response to the Scrutiny Board report and recommendations be noted.

- (b) That tracking of progress be incorporated into the Scrutiny Board's work schedule for the remainder of 2016/17.

17 Work Schedule

The Principal Scrutiny Adviser presented the Scrutiny Board's proposed work schedule for the remainder of the municipal year 2016/17.

The Scrutiny Board briefly discussed the schedule presented, and also considered its next steps around Strategic Commissioning. A summary of the issues included:

- The role of the Projects Programmes and Procurement Unit.
- The availability of expertise within the Local Government Association.
- Discussions with other partners – including the Third Sector and relevant health partners
- Examples of authorities where alternative approaches were in operation.
- Additional information required, such as details of savings/ efficiencies made to date and the staffing costs.

RESOLVED –

- (a) That the work schedule presented be agreed, subject to any scheduling decisions necessary by the Chair.
- (b) That further consideration be given to the 'next steps' around Strategic Commissioning.

18 Date and Time of Next Meeting

Monday, 19 September 2016 at 10:00am (pre-meeting for all Scrutiny Board members at 9:30am).

The meeting closed at 12:20pm.